

~~TOP SECRET FROTH~~Economic Services DivisionCommittee on China

NSA Declassification/Release Instructions on File

(Minutes of the Fifth Meeting — 1315 hours, 16 September 1954)

Present: All members and [REDACTED]

25X1C8c

The revised version of the Division Current Support Memorandum entitled "Impact of Flood Conditions on Certain Sectors of Communist China's Economy" was discussed briefly, and contributions from the several Branches acknowledged. It was felt that the summary section of the Memorandum should place less stress on the comparison of the current flood situation with 1931 for the reasons that, (a) much of the 1931 data is of dubious accuracy; and, (b) the problems faced by the Chinese authorities in 1954 are very different, particularly in such matters as export programs, economic planning, etc.

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[REDACTED] noted that [REDACTED] estimates a substantial loss of China's cotton crop amounting to approximately 150 thousand metric tons lost from flood damage and 50 thousand metric tons lost because of blight. (This loss, if true, amounts to nearly one third of China's estimated cotton production). The implications of this will be discussed with M/AG and included in the Current Support Memorandum if feasible.

Other items introduced [REDACTED]

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1. Recent renewal of the trade agreement between China and Indonesia. It provides for approximately [REDACTED] trade each way for one year. It is noted particularly that rubber is not listed among the goods scheduled for sale by Indonesia.

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2. [REDACTED] The report contains information on the various types of products observed entering and leaving Shanghai up to March 1954. This report will be circulated through the regular procedure and should be of interest, particularly to S/TF.

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[REDACTED] reported that the movie on the Hwai river flood control project was scheduled to be shown in Room E-23, Building 14 at 1:30, Wednesday, 22 September. Guests from NSA will be present.

The subject of the buildup in transportation, [REDACTED] and air field construction in South China was again brought up, and it was decided that detailed contributions from all branches which can provide information on this

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subject will be presented at next week's meeting and possibly drawn up as a Current Support Memorandum. It was suggested that the [REDACTED] task force now working at NSA be asked to furnish any information it might have on this subject.

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Next meeting: 1315 hours, 23 September 1954, 2125 [REDACTED]

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